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Judge: Hon. Samuel J. Steiner
Chapter 11
Hearing Location: Seattle
Hearing Date: March 11, 2011
Hearing Time: 9:30 a.m.
Response Date: March 7, 2011 at Noon

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re:

Adam R. Grossman,

Debtor.

IN CHAPTER 11 PROCEEDING

No. 10-19817- SJS

DEBTOR'S OBJECTION TO CHAPTER
11 TRUSTEE'S MOTION TO CONVERT
CASE FROM A CHAPTER 11 TO A
CHAPTER 7

COMES NOW THE DEBTOR, by and through his undersigned attorney, and in
response to the Motion to Convert Chapter 11 Case to a Chapter 7 case and Motion to
Compel Accounting and Compel Turnover of Rents (the "Motion") filed by Denice Moewes,
the Attorney for the Court-appointed Chapter 11 Trustee Ron Brown (the "Trustee"), states
the following:

DEBTOR'S OBJECTION TO CHAPTER 11
TRUSTEE'S MOTION TO CONVERT CASE
FROM A CHAPTER 11 TO A CHAPTER 7 - Page 1 of 3

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1 **I. The Trustee's Argument for Conversion.**

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3 The Trustee's argument for why debtor "should not be in a chapter 11" are that "The
4 Debtor's schedules show that in an average month the debtor incurs \$4,720.41 of debt that
5 he cannot pay" and that "To date the debtor has filed no monthly reports." Trustee's
6 Motion, page 4, lines 4-6.

7
8 **II. Debtor's Agrees with the Trustee's Argument that Debtor should not be**
9 **in a Chapter 11; Debtor has separately moved this Court to Convert this Case to a**
10 **Chapter 13.**

11 On Friday, March 4, Debtor filed a Motion to Convert Chapter 11 Case to Chapter 13
12 and noted a hearing on Debtor's Motion to Convert for Friday, March 11, 2011 so that
13 Debtor's Motion to Convert to a Chapter 13 case could be heard before the Trustee's Motion
14 to Convert to a Chapter 7 case.

15
16 Debtor has just begun working for a real estate company and now has sufficient funds
17 to effectuate a feasible Chapter 13 repayment plan. See Declaration of Adam R. Grossman
18 in Support of this Objection.

19 **III. Debtor has not failed to file the US-21 forms due to bad faith on the part**
20 **of the Debtor.**

21
22 The Trustee is correct when he states that Debtor has filed no US-21 forms. However,
23 the reason for Debtor's failure to file the reports is outside of Debtor's control.

24
25 During the oral hearing before this court that took place on December 17, 2010,
26 Debtor's Counsel informed the court that as part of the dissolution maneuvering between
27 Debtor and his then spouse Jill Borodin (they have subsequently been granted a dissolution),
28 Debtor's spouse has remained in possession of a great deal of Debtor's records and has

1 refused to allow Debtor access to said records. This court issued an oral ruling requiring Jill
2 Borodin, Debtor's former spouse, to turn over said records to the US Trustee's attorney. As
3 yet, to the best of Debtor's counsel's belief, no documents have been turned over to the US
4 Trustee by Debtor's former spouse. Debtor's non-access to these records has made it
5 impossible for the Debtor to file the above-mentioned US-21 forms.

6
7 **IV. Debtor's Creditors would be better served by a Chapter 13 Repayment**
8 **Plan Case versus a Chapter 7 Liquidation case.**

9 Congress prefers repayment plans over liquidations (In re Gagne, 394 B.R. 219, 224,
10 Bankr. L. Rep. P 81,336 (1st Cir.BAP Me., 2008)) because, in part, unsecured creditors often
11 receive more money under successful Chapter 13 plans than they would under a Chapter 7
12 liquidation bankruptcy. In re McDonald, 205 F.3d 606, 614 (3d Cir. 2000).

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15 WHEREFORE, the Debtor respectfully requests that this Court enter an Order
16 denying the Chapter 11 Trustee's Motion in its entirety with prejudice and award such
17 further and different relief as this Court deems proper and just.

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19
20 DATED this 7th day of March, 2011.

21 /s/ Matthew D. O'Conner

22 Matthew D. O'Conner, WSBA # 27061
23 Attorney for Debtor
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